

Multiple Agency Fiscal Note Summary

Bill Number: 5155 2S SB	Title: Prejudgment interest
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Estimated Cash Receipts

Agency Name	2021-23			2023-25			2025-27		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Department of Enterprise Services	0	0	2,513,000	0	0	2,931,000	0	0	3,419,000
Total \$	0	0	2,513,000	0	0	2,931,000	0	0	3,419,000

Estimated Operating Expenditures

Agency Name	2021-23				2023-25				2025-27			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Administrative Office of the Courts	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of Attorney General	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Enterprise Services	.0	0	0	2,513,000	.0	0	0	2,931,000	.0	0	0	3,419,000
Total \$	0.0	0	0	2,513,000	0.0	0	0	2,931,000	0.0	0	0	3,419,000

Agency Name	2021-23			2023-25			2025-27		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI			5,934,000			5,934,000			5,934,000
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total			5,934,000			5,934,000			5,934,000

Estimated Capital Budget Expenditures

Agency Name	2021-23			2023-25			2025-27		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Administrative Office of the Courts	.0	0	0	.0	0	0	.0	0	0
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Department of Enterprise Services	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2021-23			2023-25			2025-27		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Breakout

NONE

Prepared by: Tyler Lentz, OFM	Phone: (360) 790-0055	Date Published: Final 3/18/2021
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Judicial Impact Fiscal Note

Bill Number: 5155 2S SB	Title: Prejudgment interest	Agency: 055-Administrative Office of the Courts
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The revenue and expenditure estimates on this page represent the most likely fiscal impact. Responsibility for expenditures may be subject to the provisions of RCW 43.135.060.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☒ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.

Legislative Contact: Sarian Scott	Phone: 360-786-7729	Date: 02/23/2021
Agency Preparation: Pam Kelly	Phone: 360-705-5318	Date: 02/25/2021
Agency Approval: Ramsey Radwan	Phone: 360-357-2406	Date: 02/25/2021
OFM Review: Gaius Horton	Phone: (360) 819-3112	Date: 02/25/2021

167,026.00

Request # 5155 2SSB-1

Form FN (Rev 1/00)

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Bill # 5155 2S SB

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact on the Courts

Please see attached Judicial Impact Note (JIN).

II. B - Cash Receipts Impact

II. C - Expenditures

Part III: Expenditure Detail

III. A - Expenditure By Object or Purpose (State)

NONE

III. B - Expenditure By Object or Purpose (County)

NONE

III. C - Expenditure By Object or Purpose (City)

NONE

III. D - FTE Detail

NONE

III. E - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B1 - Expenditures by Object Or Purpose (State)

NONE

IV. B2 - Expenditures by Object Or Purpose (County)

NONE

IV. B3 - Expenditures by Object Or Purpose (City)

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and dexcribe potential financing methods

NONE

Part II: Narrative Explanation

This bill would change when interest accrues on judgements for tortious acts by a public agency from the date of entry of judgement to the date the cause of action occurred.

Part II.A – Brief Description of what the Measure does that has fiscal impact on the Courts

Section 1(3)(a) – Would make judgements on tortious conduct of a public agency as defined in RCW 42.30.020 bear interest from the date of the cause of action instead of the entry of judgement.

Section 1(3)(b) – Would make medical malpractice claims not applicable in subsection (3) of this section. Medical malpractice claims would bear interest at the rate of two percentage points above the prime rate from the date of entry as published by the Federal Reserve System on the first business day of the calendar month preceding the date of entry.

Section 1(3)(c) – Except as provided in (a) and (b) of this subsection judgments founded on tortious conduct of individuals and other entities would bear interest from the date of the cause of action and would accrue at two percentage points above the prime rate as published by the Federal Reserve System.

Section 1(3)(d) – Would allow for the provisions of (a) and (c) of this subsection apply to judgements entered following a trial and arbitration awards. In all other judgements for types of actions, interest accrues from the date of entry of the judgement.

II.B - Cash Receipt Impact

None

II.C – Expenditures

Superior Court master answer would need updating and judicial education would be necessary. These changes could be managed within existing resources.

Part III: Expenditure Detail

III.A – Expenditures by Object or Purpose

	FY 2021	FY 2022	2021-23	2023-25	2025-27
FTE – Staff Years					
A – Salaries & Wages					
B – Employee Benefits					
C – Prof. Service Contracts					
E – Goods and Services					
G – Travel					
J – Capital Outlays					
P – Debt Service					
Total:					

III.B – Detail:

Job Classification	Salary	FY 2021	FY 2022	2021-23	2023-25	2025-27
Total FTE's						

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

None.

Individual State Agency Fiscal Note

Bill Number: 5155 2S SB	Title: Prejudgment interest	Agency: 100-Office of Attorney General
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Part I: Estimates

☒ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Sarian Scott	Phone: 360-786-7729	Date: 02/23/2021
Agency Preparation: Cam Comfort	Phone: (360) 664-9429	Date: 02/24/2021
Agency Approval: Dianna Wilks	Phone: 360-709-6463	Date: 02/24/2021
OFM Review: Tyler Lentz	Phone: (360) 790-0055	Date: 02/24/2021

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

No fiscal impact. This legislation is not expected to generate any costs or savings for the Attorney General's Office (AGO). The AGO completed an analysis for legal services and fiscal impact from the most likely state agencies.

The AGO Transportation & Public Construction Division (TPC) has reviewed this bill and determined it will not significantly increase the division's workload in representing the Department of Enterprise Services (DES). This bill does not increase the amount or types of advice DES seeks from TPC, and is primarily insurance questions. New legal services are nominal and costs are not included in this request.

The AGO Torts Division has reviewed this bill and determined it will not increase the division's workload in representing the DES. It is expected that interest on judgments will not be contested and simply be paid, thereby not incurring additional defense costs. New legal services are nominal and costs are not included in this request.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 5155 2S SB	Title: Prejudgment interest	Agency: 179-Department of Enterprise Services
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2022	FY 2023	2021-23	2023-25	2025-27
Liability Account-Non-Appropriated 547-6	1,208,000	1,305,000	2,513,000	2,931,000	3,419,000
Total \$	1,208,000	1,305,000	2,513,000	2,931,000	3,419,000

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
Account					
Liability Account-Non-Appropriated 547-6	1,208,000	1,305,000	2,513,000	2,931,000	3,419,000
Total \$	1,208,000	1,305,000	2,513,000	2,931,000	3,419,000

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Sarian Scott	Phone: 360-786-7729	Date: 02/23/2021
Agency Preparation: Keith Thunstedt	Phone: (360) 407-8165	Date: 02/26/2021
Agency Approval: Ashley Howard	Phone: (360) 407-8159	Date: 02/26/2021
OFM Review: Tyler Lentz	Phone: (360) 790-0055	Date: 02/26/2021

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Differences between 2SSB and SSB:

The Second Substitute adds language to clarify that prejudgment interest will only accrue on judgments resulting from trial or arbitration.

2SSB Bill Description:

Section 1 (3)(a) changes the date from which interest accrues on tort judgments against state agencies. Currently, interest on judgments accrues from the date the judgment is entered. This bill changes that date to the date the cause of action accrued. However, Section 1 (3)(d) specifies that prejudgment interest will only accrue on judgments resulting from trial or arbitration.

While the change would have little impact on the policies and operations of Department of Enterprise Services, Office of Risk Management, adding accrued interest back to the time of loss or injury would increase total tort claim costs for those trial verdict payments.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

Claims payouts and accrued interest are paid from the Self Insurance Liability Account (SILA) . The account is funded from premiums paid by state agencies, boards and commissions. The account does not have capacity to absorb these new costs and premiums would need to be increased to cover them.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Over the past five years (FY16 through FY20), there were ten trial verdicts paid from the Self-Insurance Liability Account, together totaling \$18,585,714.

Based on the time between the incident leading to the claim and the payout for each of the ten cases, and assuming an interest rate of 3.41% (the average interest rate under RCW 4.56.110(3)(b) since July 2004), accrued interest would have added \$6,041,258 in cost over the past five years.

Using FY16 through FY20 to extrapolate future interest costs:

- o average 2 verdict payments per year
- o the average verdict payment is \$1,858,571
- o the weighted-average length from date of loss to payment is 114.33 months
- o assuming a 3.41% interest rate (with a high of 7.297% in Aug of 2006 and a low of 2.036% in Dec 2011)

When applying the average interest rate to average amount paid out for the average duration of the cases, the increase in annual interest cost would be \$1,208,000. Using instead the low and high interest rates, the increase in annual cost would be \$721,000 and \$2,584,000, respectively. The interest is non-compounding.

Additionally, it is estimated that claim costs themselves will increase by 8% annually based on historical trends and actuarial analysis, further increasing total interest costs in future years.

Also of note is that civil trials in Washington have been delayed due to the COVID-19 pandemic. Although this slowdown in case processing should be temporary, it will add to the cost of payout on currently pending cases as the timeline of many of those cases has been elongated by the pandemic shutdowns.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
547-6	Liability Account	Non-Appropriated	1,208,000	1,305,000	2,513,000	2,931,000	3,419,000
Total \$			1,208,000	1,305,000	2,513,000	2,931,000	3,419,000

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services	1,208,000	1,305,000	2,513,000	2,931,000	3,419,000
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	1,208,000	1,305,000	2,513,000	2,931,000	3,419,000

III. C - Operating FTE Detail: List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 5155 2S SB	Title: Prejudgment interest
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Part I: Jurisdiction—Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

☒ Cities: Expenditure impacts for increased interest amounts for judgments found on the tortious conduct of a public agency

☒ Counties: Same as above

☒ Special Districts: Same as above

☐ Specific jurisdictions only:

☐ Variance occurs due to:

Part II: Estimates

☐ No fiscal impacts.

☐ Expenditures represent one-time costs:

☐ Legislation provides local option:

☒ Key variables cannot be estimated with certainty at this time: Number of judgments of tortious conduct by public agencies that occur year by year

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Part III: Preparation and Approval

Fiscal Note Analyst: David Rosen	Phone: 360-790-3274	Date: 03/02/2021
Leg. Committee Contact: Sarian Scott	Phone: 360-786-7729	Date: 02/23/2021
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 03/02/2021
OFM Review: Gaius Horton	Phone: (360) 819-3112	Date: 03/03/2021

Part IV: Analysis

A. SUMMARY OF BILL

Provide a clear, succinct description of the bill with an emphasis on how it impacts local government.

CHANGES FROM PRIOR BILL VERSION:

Application of New Interest Date Provision

Section 1 (3) (d) is inserted into the new bill version which states that Section 1 (3) (a) only applies to judgments entered following trial of the matter and arbitration awards. In all other judgments for types of actions in Section 1 (3) (a), interest accrues from the date of entry of judgment.

SUMMARY OF CURRENT BILL:

Legislation would amend RCW 4.56.110 – Interest of Judgements

Section 1 (3) (a) amends when judgements found on the tortious conduct of a public agency begin to bear interest, by the start date being amended from the date of entry to the date the cause of action accrued. Section 1 (3) (a) also strikes the language related to court reviews entering judgement on a verdict being wholly or partially affirmed and the terms of the interest dating back to and accruing from the date of the verdict being rendered.

Section 1 (3) (d) dictates that the provisions of Section 1 (3) (a) apply only to judgments entered following trial of the matter and arbitration awards. In all other judgments for types of actions in Section 1 (3) (a), interest accrues from the date of entry of judgment.

Section 2 would repeal RCW 4.56.111 related to interest rates on judgments.

B. SUMMARY OF EXPENDITURE IMPACTS

Briefly describe and quantify the expenditure impacts of the legislation on local governments, identifying the expenditure provisions by section number, and when appropriate, the detail of expenditures. Delineate between city, county and special district impacts.

This legislation would have an indeterminate impact on local government expenditures.

The legislation would start interest running on a judgment entered following trial of the matter and arbitration awards for tortious conduct of public agencies, from the date on which the cause of action accrues as opposed to its date of entry. According to both the Washington Counties Risk Pool and the Washington Cities Insurance Authority, over 95% of cases are settled between parties, not by a court, so no judgment would be entered. The frequency of lawsuits is indeterminate and can vary by year.

The following offers two example of how a local jurisdiction may accrue additional costs due to the legislation amending the time at which interest begins to accrue:

1. If the judgment is \$1,000,000 and the interest rate is assumed at 5.25%, interest would equal \$143.84 per day ($\$1 \text{ million} \times 5.25\% / 365 \text{ days in a year}$). A trial may occur two years, or 730 days, after the date of the injury (date the claim accrued), which, according to Washington Counties Risk Pool is not uncommon. The interest would equal an additional \$105,003, under the new legislation ($\$143.84 \times 730$).
2. In a case where the verdict was approximately \$1,500,000, and the verdict was entered 3.5 years after the date of injury. Assuming an interest rate of 5.25%, there would be an additional \$275,500 in interest on the verdict. ($\$1.5\text{M} \times 5.25\% / 365 \text{ days in a year} = \$215.75/\text{day of interest}$; $215.75 \times 1277 \text{ days between the incident and the verdict} = \$275,517 \text{ in additional interest.}$)

Settlement costs may also rise due to financial incentive on part of the plaintiff, though this occurrence is not possible to predict. This increase in costs may result in an increase in insurance premiums that local governments would pay.

C. SUMMARY OF REVENUE IMPACTS

Briefly describe and quantify the revenue impacts of the legislation on local governments, identifying the revenue provisions by section number, and when appropriate, the detail of revenue sources. Delineate between city, county and special district impacts.

This legislation would not impact local government revenues.

SOURCES

Association of Washington Cities

Individual State Agency Fiscal Note

Bill Number: 5155 2S SB	Title: Prejudgment interest	Agency: SDF-School District Fiscal Note - SPI
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
Account					
Local School District-Private/Local New-7	2,967,000	2,967,000	5,934,000	5,934,000	5,934,000
Total \$	2,967,000	2,967,000	5,934,000	5,934,000	5,934,000

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Sarian Scott	Phone: 360-786-7729	Date: 02/23/2021
Agency Preparation: Mike Woods	Phone: (360) 725-6283	Date: 03/04/2021
Agency Approval: Mike Woods	Phone: (360) 725-6283	Date: 03/04/2021
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 03/04/2021

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Current law: Interest on judgements begins on the date of judgement. For a public agency, the interest rate on judgements is 2 percent above the equivalent rate published by the Federal Reserve board of Governors.

Under this bill, interest on judgements would begin on the date on which the cause of action occurs. This would have the effect of increasing the cost of claims (and therefore the subsequent risk management premiums) for school districts statewide.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

No additional school district revenues.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

This bill could result in additional claim payment costs of \$17,800,000 over the 6 year Fiscal Note period. School district risk management rates would need to increase by at least that amount.

There are two primary Risk Management pools serving Washington School Districts. Both are non-profit intergovernmental entities funded with public school funds; and each represent approximately 50% of Washington's K-12 student population. The estimated fiscal impact is based on information from one of the pools, extrapolated to a statewide impact.

Methodology: The pool reviewed a recent 5 years of claims history and applied prejudgment interest as though the proposed language had been in place. It would have resulted in a yearly average additional claims payment amount of \$2,967,036. Assuming a stable claims rate, the 6 year impact of this bill would be at least \$17,802,216 (6 X \$2,967,036).

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
New-7	Local School District	Private/Local	2,967,000	2,967,000	5,934,000	5,934,000	5,934,000
Total \$			2,967,000	2,967,000	5,934,000	5,934,000	5,934,000

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-Local School District	2,967,000	2,967,000	5,934,000	5,934,000	5,934,000
Total \$	2,967,000	2,967,000	5,934,000	5,934,000	5,934,000

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required